



# ***Cost and Software Data Reporting Training***

## **Contract Planning Module**

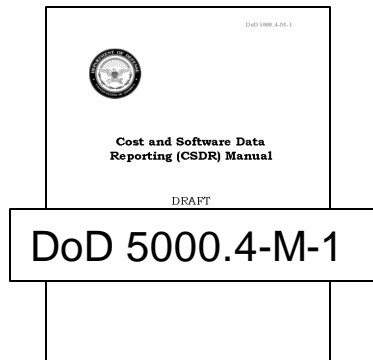
# Schedule

<b>DAY 1</b>	<b>DAY 2</b>	<b>DAY 3</b>
0800 Class Orientation	0800 Contract Planning	0900 Question /
0830 Background / Familiarization Module	0915 SRDR Planning (Part 1)	Answer Session
0945 Break	1015 Break	930 Validation (Part 1)
1000 WBS Module	1030 SRDR Planning (Part 2)	1015 Break
1130 Lunch	1130 Lunch	1030 Validation (Part 2)
1230 RAM Module	1230 Contracting	1130 Lunch
1330 Evolutionary Acquisition	1330 Cost Reporting (Part 1)	1230 SRDR Reporting
1430 Break	1500 Break	1400 Break
1445 Program Planning Module	1515 Cost Reporting (Part 2)	1415 Final Exam
		1615 Wrap-Up

# Lesson Assignment Sheet

- Objectives:
  - For students to learn how to build a complete Contract Plan, including all required information, based upon a product-oriented Work Breakdown Structure, where the WBS is an extension of the Program WBS expanded and tailored for the scope of work under contract.
- Desired Learning Outcomes:
  - Understand the purpose of Contract Plans;
  - Be familiar with DD Form 2794 and its data fields;
  - Understand the relationship between the Program Plan, Prime Contract Plan(s), and Subcontract Plan(s);
  - Be able to prepare a Prime Contract Plan and Subcontract Plan given a description of the program, acquisition strategy, and schedule.
- Assignment:
  - EXERCISE 7-1. CONTRACT PLAN
- Reference Material:
  - CSDR Reference Book
    - MIL-HDBK-881A, *Work Breakdown Structures for Defense Material Items*, July 2005
    - DoD 5000.4-M-1, *Cost and Software Data Reporting (CSDR) Manual*, February 2004

# What is a Contract Plan?



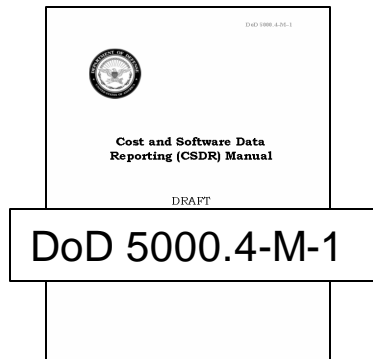
- C3.1.1 DOD Planning and Contracting – General Guidelines
  - “*DD Form 2794...*
    - *is the key document in establishing reporting requirements throughout each phase of an acquisition program.*
    - *The CSDR Plan is needed for both the RFP process and the contract award process.*
    - *... serve as the reference document for placing data requirements on contract*
    - *the source document used to compare with actual reporting data from contractors to ensure that data are reported as planned...”*

# Contract Types

- C2.5.2.4

- *“All contract types require CCDR reporting.”*

- *However, the PM may request a waiver for selected FFP contracts that were competitively awarded as long as competitive conditions continue to exist.”*



This provision is applicable to all ACAT 1C, 1D, II, and III programs with CCDR requirements.



Waiver Approval:

ACAT 1C and 1D Programs: CAIG Chair

ACAT II and III Programs: Designated Service Representative

## LRIP Program Plan

The LRIP Program Plan form includes the following sections:

- 1. PROGRAM INFORMATION:** Includes fields for program name, date, and other identifying information.
- 2. REPORTING SUBMITTER:** Includes fields for the submitter's name, address, and contact information.
- 3. CONTRACT INFORMATION:** Includes fields for contract number, title, and other details.
- 4. REPORTING FREQUENCY:** Includes fields for the frequency of reports and the reporting period.
- 5. REPORTING SUBMITTER'S COMMENTS:** A large text area for additional information.

## LRIP Contract Plan Contract A

The LRIP Contract Plan Contract A form includes the following sections:

- 1. CONTRACT INFORMATION:** Includes fields for contract number, title, and other details.
- 2. REPORTING SUBMITTER:** Includes fields for the submitter's name, address, and contact information.
- 3. CONTRACT INFORMATION:** Includes fields for contract number, title, and other details.
- 4. REPORTING FREQUENCY:** Includes fields for the frequency of reports and the reporting period.
- 5. REPORTING SUBMITTER'S COMMENTS:** A large text area for additional information.

## LRIP Subcontract Plans

The LRIP Subcontract Plans forms include the following sections:

- 1. SUBCONTRACT INFORMATION:** Includes fields for subcontract number, title, and other details.
- 2. REPORTING SUBMITTER:** Includes fields for the submitter's name, address, and contact information.
- 3. SUBCONTRACT INFORMATION:** Includes fields for subcontract number, title, and other details.
- 4. REPORTING FREQUENCY:** Includes fields for the frequency of reports and the reporting period.
- 5. REPORTING SUBMITTER'S COMMENTS:** A large text area for additional information.



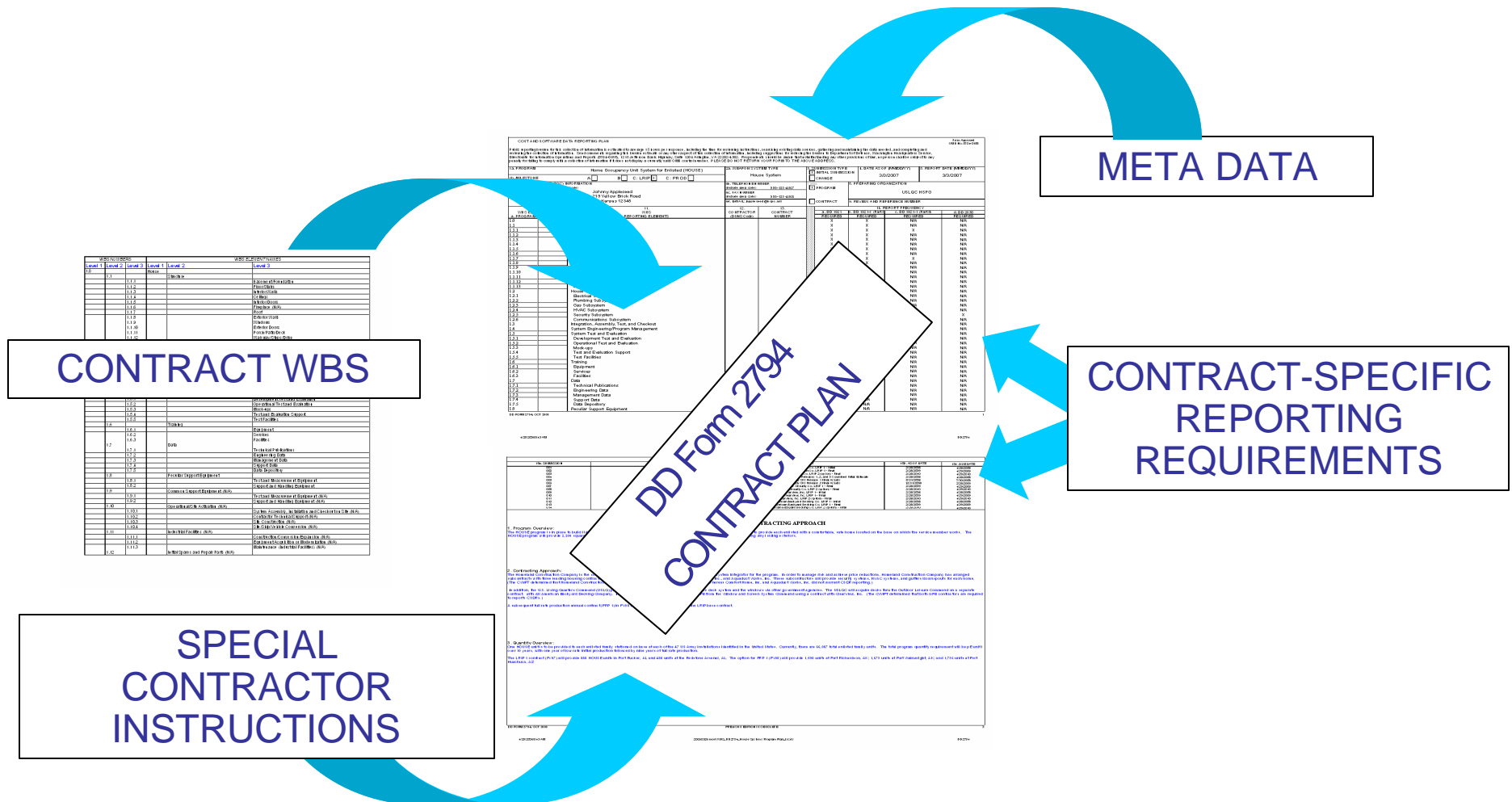
## LRIP Contract Plan Contract B

The LRIP Contract Plan Contract B form includes the following sections:

- 1. CONTRACT INFORMATION:** Includes fields for contract number, title, and other details.
- 2. REPORTING SUBMITTER:** Includes fields for the submitter's name, address, and contact information.
- 3. CONTRACT INFORMATION:** Includes fields for contract number, title, and other details.
- 4. REPORTING FREQUENCY:** Includes fields for the frequency of reports and the reporting period.
- 5. REPORTING SUBMITTER'S COMMENTS:** A large text area for additional information.

**Contract Plans spawn Subcontract Plans as required**

# Contract Plan Components



6/2/2006

Module 7: Contract Plan

# Contract Plans

## Content - WBS

- Define the WBS level of reporting to use the fewest number of elements consistent with the anticipated use of the data in cost estimation
- Detailed reporting required for lower level elements that address high-risk, high-value or high-technical-interest areas of the program
- Extensions to Contract Plan WBS can be tailored to the specific program but will be consistent and tractable with the Program WBS and MIL-HDBK-881A



# Contractor Cost Data Reports (CCDR)

Using DD 2794 Block 14, identify the cost data (reports) required

## 1921

### Cost Data Summary Report

- Displays ALL applicable WBS elements
- Recurring & Nonrecurring costs for each WBS
- Contract totals
- UB, MR, G&A, and Fee

## 1921-1 Part 1

### Functional Cost- Hour Report

- Select WBS elements
- Recurring & Nonrecurring
- Detailed breakout of all resource data
  - Labor hours
  - Labor dollars
  - Material dollars
  - Overhead dollars
- Reporting by all Functions
  - Engineering
  - Tooling
  - Quality Control
  - Manufacturing

## 1921-1 Part 2

### Progress Curve Report

- Select WBS elements
  - *suggest* Cost drivers
- Recurring only
- Detailed breakout of select resource data
  - Labor hours
  - Labor dollars
  - Material dollars
- Two Functions
  - Quality Control
  - Manufacturing
- Unit-by-Unit or Lot-by-lot

# Software Resource Data Reports (SRDR)

Using DD 2794 Block 14, identify the software data (reports) required

## 2630-1

### Initial Government Report

- Select WBS elements
- Displays government's initial **estimate** of software size, effort, and schedule

## 2630-2

### Initial Developer Report

- Select WBS elements
- Displays developer's initial **estimate** of software size, effort, and schedule

## 2630-3

### Final Developer Report

- Select WBS elements
- Displays developer's **actual** software size, effort, and schedule

# CSDR Plans

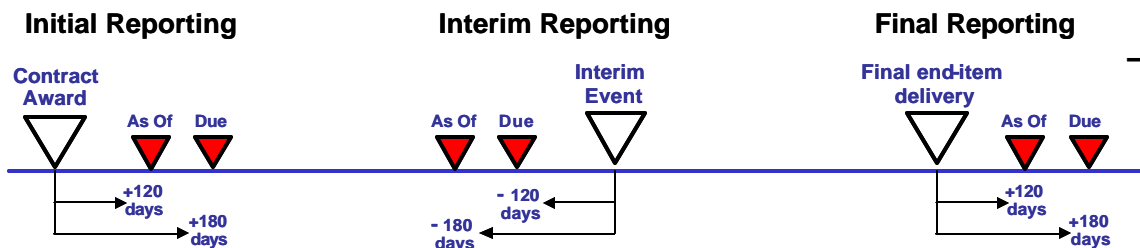
## Contents – Report Submission Frequency

15 CDDR SUBMISSION				
15a. SUBMISSION	15B. FORM	15C. EVENT	15D. AS OF DATE	15E. DUE DATE
Special Contractor Instructions				

30 FORM 2794, Oct 2002

PREVIOUS EDITION IS OBSOLETE

- Initial reports due within 180 Days after contract award to ensure ability to report consistent with CSDR Plan and CDRLs
- Development Efforts
  - Reports are to be delivered before major milestones or decision points, as well as at the end of the effort
- Production Programs
  - One report after each fiscal year buy
  - Typically request interim LRIP reports in prep for FRP
  - Given CAIG approval, CWIPT can request interim reports



# Planning for Cost Reporting

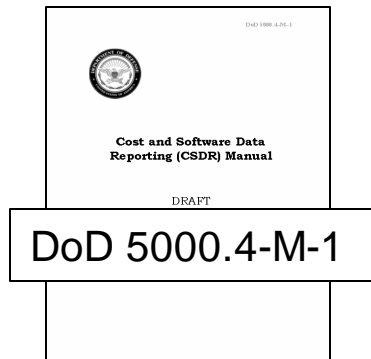
- Typical reporting per contract
- Special cases in which reporting is not singular per contract
  - Per Variant
  - Per CLIN
  - Per Delivery Order
  - Per Spiral

**CWIPT DETERMINATION**

*Don't lose sight of the overall objective of the CSDR process: to obtain valid, well-defined, historical cost data reports for the purpose of aiding in the development of life cycle estimates for future programs.*

# Who is responsible?

- C2.2.3 General Organizational Responsibilities



- *“DoD Program Managers (PMs) shall prepare and obtain approval for Program and Contract Cost and Software Data Reporting Plans, shall place approved CSDR Plan requirements on contract, and shall ensure that contractors comply with the CCDC contractual provisions.”*

***CSDR Plans are the responsibility  
of the Government PM***

# Contract Plans

## Responsibilities By Organization

- **CAIG**

- Establish overall policy
- Approve contract and subcontract plans
- Authorize waivers
- Participate in the CWIPT

- **DCARC**

- Administer the CSDR system for ACAT ID and IC programs

- **Service Cost Centers**

- Participate in the CWIPT
- Review all ACAT IC and ID CSDR Plans

- **Government PM**

- Primary working level responsibility for the Contract Plan

- **CWIPT**

- Identify cost analysis requirements (i.e., WBS, reports, and frequency) for programs and contracts, and advise the PM

- **Industry**

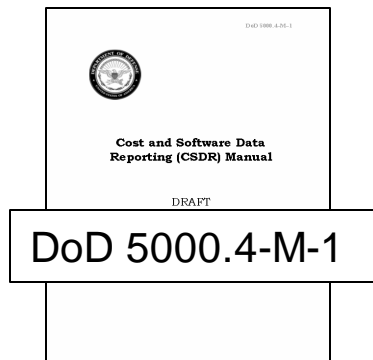
- Work with CWIPT in establishing Contract WBS and Subcontract WBS

**ONLY THE CAIG CHAIRMAN HAS AUTHORITY TO APPROVE/WAIVE CSDR PLANS**

# Approval Process

- C2.4.4 Mandatory Policies

- *“For ACAT IC and ID programs, all Program and Contract CSDR Plans must be submitted to the DCARC for CAIG Chair approval. ... Contract plans must be approved before awarding the contract. If the plan is changed after contract award, an amended Contract Plan must be submitted to the CAIG Chair for approval.”*



- C2.6.1.1 CAIG Responsibilities

- *“The CAIG Chair must approve all ACAT I Program and Contract CSDR Plans and any subsequent changes before issuing a solicitation to industry and awarding the contract, respectively.”*

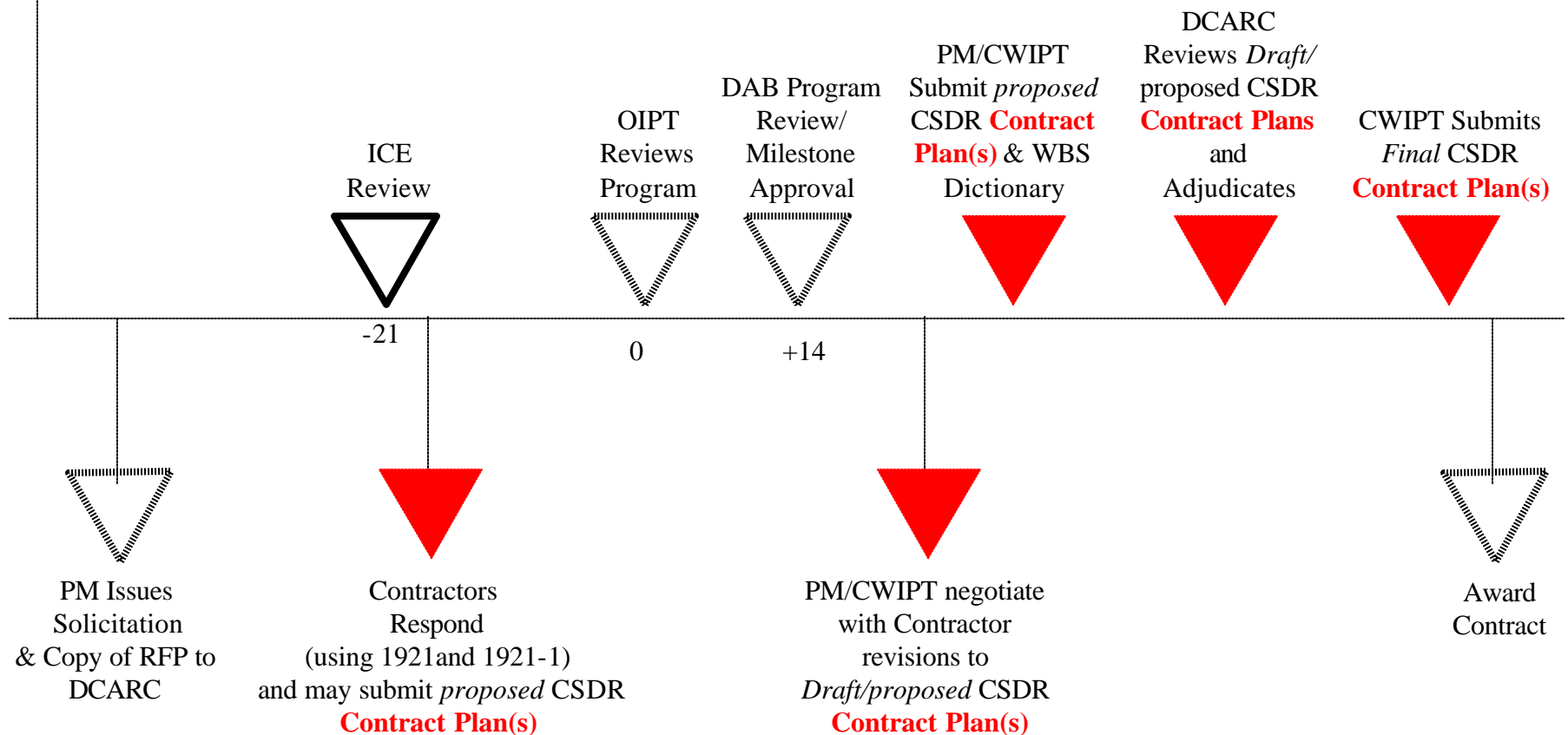
- C2.6.3.1 DoD PM Responsibilities

- *“The DoD PM, in coordination with the CWIPT, shall begin planning for CCDR reporting between 8 and 12 months before the Overarching Integrated Product Team (OIPT) Milestone B review.”*

# Contract Plans Preparation Timeline

CSDR **Contract Planning** process starts with **Program Plans** development

- Prior to RFP, the **Program** WBS is expanded and tailored for *expected* efforts
- RFP includes expanded WBS to be used as a starting point for contractors





# CSDR impact upon Subcontractors

- Two types of Subcontractors
  - Those that **don't** meet the reporting dollar threshold
  - Those that **do** meet the reporting dollar threshold
    - Requirements are “flowed-down” by the Prime contractor

# Direct Reporting Subcontract Requirements

- Prime is responsible for incorporating requirements into affected subcontracts
  - CSDR Plans
    - A separate CSDR Contract Plan shall be prepared for subcontracts that exceed the \$50M reporting threshold (FY 2002 constant dollars.)
    - May be required on high-risk or high-technical-interest contracts between \$7M-\$50M (FY2002 constant dollars)
  - CSDR Reports
    - Subcontractors required to report directly to DCARC

# Direct Reporting Subcontract Requirements

- Conceptually, each subcontract WBS starts with a single row from the prime contractor WBS.
  - WBS detail is expanded in the subcontractor's CSDR plan
  - No need to reflect detail of subcontractor WBS in Prime Contractor WBS

## Prime

Program	Prime Contractor WBS scheme	
1	1.0	Cruise Missile System
1.1	1.1	Air Vehicle (AV)
1.1.1	1.1.1	Propulsion
1.1.1.2	1.1.1.1	Engine
1.1.1.3	1.1.1.2	Integration, Assembly, & Test
1.1.2	1.1.2	Payload
1.1.2	1.1.2.1	Warhead Load
1.1.2	1.1.2.2	Target Detection Device
1.1.2	1.1.2.3	Fuze
1.1.2	1.1.2.4	Integration, Assembly, & Test
1.1.3	1.1.3	Airframe
1.1.6	1.1.4	Guidance and Control
1.1.6	1.1.4.1	Missile Control Computer
1.1.6	1.1.4.2	Satellite Data Link (SDL)
1.1.6	1.1.4.3	Global Positioning System (GPS)
1.1.6	1.1.4.4	SDL/GPS Antennae
1.1.6	1.1.4.5	Digital Scene Matching Area Correlator

Etc...

## Subcontractor

Program	Subcontractor WBS scheme	
1.1.1.2	1.0	F107-WR-402 TURBOFAN ENGINE SYSTEM
1.1.1.2	1.1	Engine Prime Mission Product (PMP)
1.1.1.2	1.1.1	Intake
1.1.1.2	1.1.2	Fan
1.1.1.2	1.1.3	Compressor
1.1.1.2	1.1.4	Combustor
1.1.1.2	1.1.5	HP Turbine
1.1.1.2	1.1.6	Nozzle
1.1.1.2	1.1.7	Engine Applications Software
1.1.1.2	1.1.8	Engine System Software
1.1.1.2	1.1.9	Integration, Assembly, Test and Checkout
1.1.1.2	1.2	Platform Integration
1.1.1.2	1.3	Systems Engineering/Program Management
1.1.1.2	1.4	System Test and Evaluation
1.1.1.2	1.4.1	Development Test and Evaluation
1.1.1.2	1.4.2	Operational Test and Evaluation
1.1.1.2	1.4.3	Mock-ups
1.1.1.2	1.4.4	Test and Evaluation Support
1.1.1.2	1.4.5	Test Facilities

Etc...

# Treatment of GFE

- PM's for ACAT I MDAPS often procure end items from other government program offices and provide those items to the Prime as Government Furnished Equipment (GFE).
- Funds used to procure GFE by the ACAT I PM are under same CSDR requirements as funds used to procure CFE
  - (GFE) Contracts exceeding reporting thresholds are subject to CSDR reporting requirements
  - The ACAT I PM is responsible for developing the (GFE) CSDR Contract Plan and generating/delivering CDRLs in order to obtain CSDR data

# Contract WBS Dictionary

- Reporting contractor shall maintain and update the CWBS Dictionary throughout the life of the contract
  - WBS definitions map directly (one-for-one) to the approved Contract CSDR Plan WBS, NOT a dictionary of the accounting system cost accounts
  - The dictionary shall not be submitted more frequently than report submissions

## + Contract WBS Dictionaries

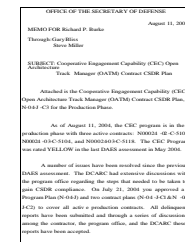
**+ PAM (if applicable)**  
**(and updated RAM)**

The diagram illustrates the relationship between a Contract and Subcontract(s). On the left, a stack of documents labeled "Contract(s)" is shown, with the top document being a "CCDR Dictionary". On the right, a stack of documents labeled "Subcontract(s)" is shown, with the top document also being a "CCDR Dictionary". The "Contract(s)" stack is larger and more prominent than the "Subcontract(s)" stack.

[illegible]

## **= CSDR CONTRACTS PLANNING PACKAGE**

***DCARC forwards the package with Transmittal Letter to OSD CAIG Chairman***



# Note on CSDR Plans

## Delayed Plans Development is a Systemic Problem

- Before Contract Award

- Using the CSDR manual, CARD, and the RAM you can plan the draft WBS, mapping, and cost rollup scheme with time to make adjustments
- Acceptable (and expected) that plans are updated to accommodate changes

- **CONSEQUENCES OF DELAYED PLANNING:**

- Large emphasis to move quickly and get something on contract
- Limited time
  - Examine analogous program WBSs
  - Develop mapping schemes
- Rushed CSDR effort tends to result in less than optimal plan
  - Yielding data that is less comparable (to other programs)
  - Deteriorated data collection quality impacts estimating efforts/results
- Longer delays and contract mods tend to drive up data collection costs

# Summary Comparison

## PP / CPs / SubCPs

	<b>Program Plan</b>	<b>Contract Plan(s)</b>	<b>Subcontract Plan(s)</b>
<b>Cost Reporting</b>	NO	YES	YES
<b>Timeline</b>	Prior to RFP Prior to CP/SubCP	Prior to RFP Prior to SubCP	Prior to RFP
<b>WBS Level</b>	To Level 3 per MIL HDBK 881 or lower to show key elements	To level 3 per contract scope or lower for key/high risk elements	To level 3 per contract scope or lower for key/high risk elements
<b>Special End Notes</b>	Program Overview Contracting Approach Special Contractor Instructions	Special Contractor Instructions	Special Contractor Instructions
<b>Report Type/Frequency</b>	Compilation of CPs and SubCPs	Specific to contract	Specific to contract Consistent with Prime CP
<b>Responsible parties</b>	PM & CWIPT	Contractor, PM & CWIPT	Contractor, PM & CWIPT
<b>Contract Number</b>	maps several	single contract	single contract
<b>RAM</b>	Program (incl GFE)	Contract	Subcontract
<b>Relationship among plans</b>	master summary 1 PP may have many CPs	1 CP may have many SubCPs	1 SubCP to 1 CP May require 2nd Tier SubCP(s)



# Practical Exercise

## 45 Minutes

- *Using the materials provided, complete the two Contract Plan exercises.*

# Questions / Discussion / Review

- **At this point, you should:**
  - *Understand the purpose of Contract Plans*
  - *Be familiar with DD Form 2794 and its data fields*
  - *Understand the relationship between the Program Plan, Prime Contract Plan(s), and Subcontract Plan(s)*
  - *Be able to prepare a Prime Contract Plan and Subcontract Plan given a description of the program, acquisition strategy, and schedule*

# For more information...

- **Read:**

- DoD 5000.4-M-1, *Cost and Software Data Reporting (CSDR) Manual* (Interim Guidance February 2004)